

DEPARTMENT OF HEALTH SERVICES

114/744 P STREET
SACRAMENTO, CA 95814

(916) 445-1912



August 16, 1982

To: All County Welfare Directors

Letter No. 82-45

ELIGIBILITY CHANGES REQUIRED BY AB 799

This letter is to provide you with the filed versions of the new Regulations listed below. Please note that minor changes have been made to the advance Regulations previously submitted in All County Letter No. 82-41.

1. Maintenance Needs
2. Special Income Deduction for the Aged, Blind and Disabled
3. Elimination of Retroactive Property Spenddown
4. Preverification of Income and Resources
5. Reduction of Other Real Property Limit

If you have any questions please contact your Medi-Cal program consultant.

Sincerely,

Original signed by

Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultant

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW
AND WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11343.1)

Copy below is hereby certified to be a true and correct copy of regulations adopted, or amended, or an order of repeal by:

DEPARTMENT OF HEALTH SERVICES

(Agency)

805-320

(Billing Code)

Date of adoption, amendment, or repeal:

By:

Beverlee A. Myers, Director

(Title)

DO NOT WRITE IN THIS SPACE

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The attached regulations which are being adopted, amended or repealed are contained in Title _____ of the California Administrative Code.

Division, Part, Chapter, etc., affected by this order: Div. 3, Subdiv. 1, Ch. 2, Secs. 50519, 50545, 50555, 50555.4, 50563, 50603, 50605

TYPE OF ORDER (Check as applicable)

- ☒ Emergency (Attach Finding of Emergency) ☐ Regular
☐ Certificate of Compliance ☐ Procedural and Organizational
☐ Certificate of Non-Compliance

CHECKLIST OF MANDATORY REQUIREMENTS

- ☒ One Certified Copy With Original Signature and Six Copies of Order or Certificate of Compliance Attached
☒ Regulation Summary (Form 690) Attached (1 copy)
☐ Publication Date (in Notice Register) of Notice for Attached Order or Certificate of Compliance is _____
☒ Authority and Reference Citation Placed Beneath Each Section in Attached Order
☒ Cost Statement Attached (Refer to SAM Section 6050)
Effective Date: September 1, 1982
☐ On _____ as Specified by Statute _____, or
☐ On _____, if Later Than 30 Days After Filing With the Secretary of State (Emergency regulations will be effective upon filing with the Secretary of State; all other regulations will be effective 30 days after filing with the Secretary of State.)
☒ Rule-Making File

BUILDING STANDARDS (Check one)

- ☐ These regulations contain no building standards under Health and Safety Code Sections 18900-18915.
☐ These regulations do contain building standards under Health and Safety Code Sections 18900-18915. The attached copy contains building Standards approval.

CONFLICT OF INTEREST (Check one if attached are Conflict of Interest Regulations)

The attached Conflict of Interest Regulations contain the FPPC approval stamp and:

- ☐ Are to be published in full in the Administrative Code.
☐ Are to be codified by appropriate reference in the Administrative Code, and include a statement as to where the full text may be obtained.

CAMPAIGN DISCLOSURES (Check if emergency Campaign Disclosure Regulations)

- ☐ These are emergency regulations pertaining to campaign disclosure law and were adopted by unanimous vote of all board or commission members present at the regulation adoption proceeding.

(1) Amend Section 50519(b) to read:

(b) Certain amounts of income shall be deducted from nonexempt income to determine the net income to be used in determining the share of cost. Income which remains after the application of the deductions specified in Sections 50547 through 50555.42 shall be net nonexempt income.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982.

Reference: Section 14005.13, Welfare and Institutions Code as repealed by Section 8, Chapter 328, Statutes of 1982

(2) Amend Section 50545 to read:

50545. Deductions from Income.

The deductions specified in Sections 50547 through 50555.42 shall be deducted from nonexempt income in the sequence presented in these regulations to determine net nonexempt income.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982.

Reference: Section 14005.13, Welfare and Institutions Code as repealed by Section 8, Chapter 328, Statutes of 1982

(3) Amend Section 50555 to read:

50555. Deductions from any Income - All MN or MI Programs.

The deductions specified in Sections 50555.1 through 50555.42 shall be subtracted from any nonexempt income that remains after the application of all preceding exemptions and deductions.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982.

Reference: Section 14005.13, Welfare and Institutions Code as repealed by Section 8, Chapter 328, Statutes of 1982

(4) Repeal Section 50555.4.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982.

Reference: Section 14005.13, Welfare and Institutions Code as repealed by Section 8, Chapter 328, Statutes of 1982

(5) Amend Section 50563 by changing subparagraph (a) to read as follows and by deleting subparagraph (b):

50563. Treatment of Income - Aged, Blind or Disabled MN Person or Spouse in LTC or Board and Care.

(a) When an aged, blind or disabled MN person or the spouse of an aged, blind or disabled MN person is in LTC or board and care and that person has a spouse and/or children, the income of that person shall be treated in the following manner, beginning the first of the month the spouses, or the parent and children, are in separate MFBU's:

(1) The net nonexempt income of the person in LTC or board and care which is in excess of \$25 the appropriate maintenance need for that person in accordance with the provisions of this article shall be allocated to the spouse and/or children as follows:

(A) When the family is applying for Medi-Cal, determine the maintenance need for the spouse and/or children other than any children excluded from the MFBU.

(B) When only the person in LTC or board and care is applying for Medi-Cal, determine the maintenance need for the spouse and/or all the children.

(C) Subtract the net nonexempt income of the spouse and/or children, other than the excluded children, from the amount determined in (A) or (B). This is the amount that shall be allocated to the spouse and/or children from

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the net nonexempt income of the MN person in LTC or board and care which is in excess of \$25 the maintenance need as determined in (1).

(2) If the MN person in LTC or board and care is a stepparent:

(A) The stepparent shall be treated as natural children of the person in LTC.

(B) The allocation shall be determined in accordance with (1).

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982.

Reference: Section 14005.13, Welfare and Institutions Code as repealed by Section 8, Chapter 328, Statutes of 1982

(6) Repeal existing Section 50603 and adopt new Section 50603 to read:
50603. Maintenance Need -- Persons Living in the Home.

(a) The maintenance need for members of the MFBU living in the home where no member is aged, blind, or disabled shall be determined in the following manner:

(1) The maintenance need for an MFBU consisting of one through ten persons shall equal the AFDC payment level for a family group of corresponding size, except as specified in (2).

(2) The maintenance need for one person when all other members are PA or other PA shall equal one-half of the AFDC payment level for two persons.

(3) The maintenance need for an MFBU consisting of 11 or more persons shall equal the AFDC payment level for a family group of ten plus an amount equal to the AFDC MBSAC increase level for additional persons in excess of ten for each MFBU member in excess of ten.

(b) The maintenance need for an MFBU consisting only of aged, blind, or disabled persons shall equal 133 1/3 percent of the maintenance need determined in accordance with (a)(1) or (2) for an MFBU of corresponding size, with amounts of one cent or more rounded to the next highest dollar.

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(c) The maintenance need for an MFBU which includes both ABD-MN and other persons living in the home shall be determined in the following manner:

(1) Determine the maintenance need for the ABD-MN persons in accordance with (b).

(2) For the other members of the MFBU:

(A) Determine the maintenance need in accordance with (a) for all MFBU members living in the home, including the ABD-MN persons.

(B) Determine the maintenance need level in accordance with (a) for only the number of ABD-MN persons living in the home.

(C) Subtract the amount determined in (B) from the amount determined in (A). This is the maintenance need amount for the non-ABD-MN persons in the MFBU.

(3) Combine the amounts determined in (1) and (2)(C). This is the maintenance need for the entire MFBU.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982.

Reference: Sections 14005.12 and 14008, Welfare and Institutions Code.

7) Amend Section 50605(c) and (e) to read:

(c) The amount allowed for upkeep of the home, if the conditions specified in (b) are met, shall be:

(1) One hundred ~~twenty-eight~~ eleven dollars per month, if the applicant or beneficiary has been living alone at home.

(2) ~~Eighty-six~~ Seventy-five dollars per month, if the home is shared with persons for whom the applicant or beneficiary has no legal responsibility for support.

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(3) ~~Eighty-six~~ Seventy-five dollars per month for each spouse, if the beneficiary and spouse have been living together and both have become LTC patients and will return home within six months.

(e) The amount allowed for the support of a disabled relative, if the conditions specified in (d) are met, shall be the lesser of the actual amount contributed or:

(1) ~~Three-hundred-nine-dollars-f~~For the disabled relative who is living alone or with persons who have no legal responsibility for the support of the disabled relative, the amount allowed shall be the AFDC payment level for one person, minus the disabled relative's net income.

(2) ~~Two-hundred-thirty-eight-dollars-f~~For the disabled relative living with persons who have legal responsibility for the support of the disabled relative, the amount allowed shall be the maintenance need level for one person when all persons are PA or other PA minus the disabled relative's net income.

FINDING OF EMERGENCY

This agency certifies the attached orders are necessary for the immediate preservation of the public peace, health and safety or general welfare.

The specific facts constituting the need for immediate action are:

STATEMENT OF FACTS

These regulations implement, interpret and make specific Sections 14005.12 and 14005.13 of the Welfare and Institutions Code, as amended by AB 799, Chapter 7, Statutes of 1982 (effective June 30, 1982).

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

R-18-82

Section 57(c) of Chapter 328, Statutes of 1982 provides as follows:

(c) The State Director of Health Services shall adopt regulations implementing the provisions of this act as emergency regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the Department of Health Services in order to implement the provisions shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

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FILED ADMINISTRATIVE REGULATIONS
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(Pursuant to Government Code Section 11343.1)

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DEPARTMENT OF HEALTH SERVICES

(Agency)

805-320

(Billing Code)

Date of adoption, amendment, or repeal:

By:

Beverlee A. Myers, Director

(Title)

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The attached regulations which are being adopted, amended or repealed are contained in Title 22 of the California Administrative Code, Div. 3, Subdiv. 1, Ch. 2, Secs. 50092, 50420, 50421 Division, Part, Chapter, etc., affected by this order:

TYPE OF ORDER (Check as applicable)

- ☒ Emergency (Attach Finding of Emergency)
☐ Certificate of Compliance
☐ Certificate of Non-Compliance

- ☐ Regular
☐ Procedural and Organizational

50655, 50657 & 50710

CHECKLIST OF MANDATORY REQUIREMENTS

- ☒ One Certified Copy With Original Signature and Six Copies of Order or Certificate of Compliance Attached
☒ Regulation Summary (Form 690) Attached (1 copy)
☐ Publication Date (in Notice Register) of Notice for Attached Order or Certificate of Compliance is _____
☒ Authority and Reference Citation Placed Beneath Each Section in Attached Order
☒ Cost Statement Attached (Refer to SAM Section 6050)

Effective Date: September 1, 1982

☐ On _____ as Specified by Statute _____, or

☐ On _____, if Later Than 30 Days After Filing With the Secretary of State (Emergency regulations will be effective upon filing with the Secretary of State; all other regulations will be effective 30 days after filing with the Secretary of State.)

☒ Rule-Making File

BUILDING STANDARDS (Check one)

- ☒ These regulations contain no building standards under Health and Safety Code Sections 18900-18915.
☐ These regulations do contain building standards under Health and Safety Code Sections 18900-18915. The attached copy contains Building Standards approval.

CONFLICT OF INTEREST (Check one if attached are Conflict of Interest Regulations)

The attached Conflict of Interest Regulations contain the FPPC approval stamp and:

- ☐ Are to be published in full in the Administrative Code.
☐ Are to be codified by appropriate reference in the Administrative Code, and include a statement as to where the full text may be obtained.

CAMPAIGN DISCLOSURES (Check if emergency Campaign Disclosure Regulations)

- ☐ These are emergency regulations pertaining to campaign disclosure law and were adopted by unanimous vote of all board or commission members present at the regulation adoption proceeding.

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

(1) Repeal Section 50092.

NOTE: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (c), Chapter 328, Statutes of 1982.

Reference: Section 14019.6, Welfare and Institutions Code.

(2) Amend Section 50420 by amending (b) and adding (c) to read:

(b) The members of the MFBU shall be ineligible for Medi-Cal if the conditions specified in (a) above are not met at sometime during the month in which application is made. ~~except where the conditions specified in Section 50421 are met.~~

(c) If the property reserve has been in excess of the property limit from the first day of the month of application through the date of application the MFBU shall be eligible under the following conditions:

(1) The property reserve is brought within the property limit in any manner other than transfer without adequate consideration by the last day of the month of application.

(2) All other conditions of eligibility are met.

NOTE: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (c), Chapter 328, Statutes of 1982.

Reference: Section 14019.6, Welfare and Institutions Code.

(3) Repeal Section 50421.

NOTE: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (c), Chapter 328, Statutes of 1982.

Reference: Section 14019.6, Welfare and Institutions Code.

(4) Amend Section 50655 to read:

50655. Record of Health Care Costs - Share of Cost.

(a) The Record of Health Care Costs -- Share of Cost, form MC 177S, shall be used to verify that health care costs have been obligated or paid by the beneficiary in an amount equal to the share of cost. The form shall be used for all beneficiaries who have a share of cost, ~~except beneficiaries who are in~~

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FOR FILING ADMINISTRATIVE REGULATIONS
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(Pursuant to Government Code Section 11380.1)

~~long-term care and meet both of the following conditions: as specified in (b).~~

~~(1) Have a share of cost which is less than or equal to the monthly cost of care at the Medi-Cal reimbursement rate for the long-term care facility.~~

~~(2) Do not have a spenddown of property.~~

~~(b) A long-term care beneficiary who has both a share of cost and a spenddown of property, regardless of the amount of the share of cost or spenddown of property, shall submit both a Record of Health Care Costs--Share of Cost, form MC-177S, and Record of Health Care Costs--Spenddown of Property, form MC-177P, in accordance with this article.~~

(b) Form MC 177S shall not be used for beneficiaries who meet both of the following conditions:

(1) Are in long-term care.

(2) Have a share of cost which is less than or equal to the monthly cost of care at the Medi-Cal reimbursement rate for the long-term care facility.

NOTE: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982.

Reference: Section 14019.6, Welfare and Institutions Code.

(5) Amend Section 50657 by deleting subparagraph (a)(5)(D).

NOTE: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (c), Chapter 328, Statutes of 1982.

Reference: Section 14109.6, Welfare and Institutions Code.

(6) Amend Section 50710 by deleting subparagraph (a)(3)(C).

NOTE: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (c), Chapter 328, Statutes of 1982.

Reference: Section 14019.6, Welfare and Institutions Code.

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FOR FILING ADMINISTRATIVE REGULATIONS
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(Pursuant to Government Code Section 11380.1)

FINDING OF EMERGENCY

This agency certifies the attached orders are necessary for the immediate preservation of the public peace, health, and safety or general welfare. The specific facts constituting the need for immediate action are:

These regulations implement, interpret and make specific Section 14019.6 of the Welfare and Institutions Code as amended by AB 799, Chapter 328, Statutes of 1982 (effective June 30, 1982).

Section 57 (c) of Chapter 328, Statutes of 1982 provides as follows:

(c) The State Director of Health Services shall adopt regulations implementing the provisions of this act as emergency regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of Government Code, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the Department of Health Services in order to implement the provisions shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

COST STATEMENT

- A. Fiscal Effect on Local Government: None
- B. Fiscal Effect on State Government: Annual General Funds savings of approximately \$165,800 (82/83 savings \$160,400).
- C. Fiscal Effect in Federal Funding of State Programs: Annual savings of approximately \$165,800 (83/83 savings \$105,800).
- D. Fiscal Effect on Small Businesses: None

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Statement of Reasons

The purpose of these regulations is to implement the provisions of AB 799, Section 15, (Section 15, Chapter 328, Statutes of 1982) which adds Section 14019.6 to the Welfare and Institutions Code and provides for the elimination of retroactive property spenddown for Medi-Cal applicants whose property exceeded the property limits for eligibility in any of the three months prior to the month of application.

Because the statutes do not specify county procedures, these regulations are necessary to define the formula for the evaluation of property. They are also necessary in order to make regulations in this area consistent with statute in view of the repeal of retroactive property spenddown for Medi-Cal applicants.

The proposed regulation changes are summarized as follows:

1. Section 50092 is repealed as it is unnecessary, the term spenddown being deleted altogether from regulation.
2. Section 50420 has been amended to delete any reference to Section 50421 which is repealed and to incorporate the viable portions of that section in a more logical sequence.
3. Section 50421 is repealed as it is now unnecessary.
4. Section 50655 has been amended to delete any reference to spenddown in accordance with these regulation changes.
5. Section 50657 has been amended to delete any reference to Section 50421 and "spenddown" in accordance with these regulation changes.
6. Section 50710 has been amended to delete any reference to Section 50421 in accordance with these regulation changes.

Informative Digest

Current regulations construing Welfare and Institutions Code, Section 14006, found in Title 22, California Administrative Code, Section 50420, establish property limits of \$1,500 for a single person, and up to \$3,000 for a family of ten or more, for Medi-Cal eligibility. Applicants for retroactive coverage who had property exceeding, but not more than double, the limit during the three months prior to the month of application could, prior to June 1, 1982, receive retroactive coverage if the excess property was spent for medical bills incurred during the month(s) for which retroactive coverage was requested.

Section 15, Chapter 328, Statutes of 1982, (AB 799) adds Section 14019.6 to the Welfare and Institutions Code, eliminating all retroactive spenddown of excess property as a means of meeting eligibility requirements. As a result, applicants with property reserves exceeding the property limits during the months preceding the month of application are not eligible for retroactive Medi-Cal benefits for the months in which excess property existed. Property spenddown during the month of application continues to be permissible, though the term "spenddown" is no longer employed.

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TYPE OF ORDER (Check as applicable)

50168, 50169 & 50467

- | | |
|---|--|
| <input checked="" type="checkbox"/> Emergency (Attach Finding of Emergency) | <input type="checkbox"/> Regular |
| <input type="checkbox"/> Certificate of Compliance | <input type="checkbox"/> Procedural and Organizational |
| <input type="checkbox"/> Certificate of Non-Compliance | |

CHECKLIST OF MANDATORY REQUIREMENTS

- | | |
|--|--|
| <input checked="" type="checkbox"/> One Certified Copy With Original Signature and Six Copies of Order or Certificate of Compliance Attached | Effective Date: <u>September 1, 1982</u> |
| <input checked="" type="checkbox"/> Regulation Summary (Form 690) Attached (1 copy) | <input type="checkbox"/> On _____ as Specified by Statute _____, or |
| <input type="checkbox"/> Publication Date (in Notice Register) of Notice for Attached Order or Certificate of Compliance is _____ | <input type="checkbox"/> On _____, if Later Than 30 Days After Filing With the Secretary of State (Emergency regulations will be effective upon filing with the Secretary of State; all other regulations will be effective 30 days after filing with the Secretary of State.) |
| <input checked="" type="checkbox"/> Authority and Reference Citation Placed Beneath Each Section in Attached Order | |
| <input checked="" type="checkbox"/> Cost Statement Attached (Refer to SAM, Section 8050) | <input checked="" type="checkbox"/> Rule-Making File |

BUILDING STANDARDS (Check one)

- | | |
|---|--|
| <input checked="" type="checkbox"/> These regulations contain no building standards under Health and Safety Code Sections 18900-18915. | |
| <input type="checkbox"/> These regulations do contain building standards under Health and Safety Code Sections 18900-18915. The attached copy contains Building Standards approval. | |

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| <input type="checkbox"/> Are to be published in full in the Administrative Code. | |
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CAMPAIGN DISCLOSURES (Check if emergency Campaign Disclosure Regulations)

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|---|--|

FOR FILING ADMINISTRATIVE REGULATIONS
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(Pursuant to Government Code Section 11380.1)

R-36-82

(1) Adopt new Section 50097 to read:

50097. Verification.

Verification means the process of obtaining acceptable evidence which substantiates statements made by an applicant/beneficiary.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (Chapter 328, Statutes of 1982).

Reference: Section 14011, Welfare and Institutions Code.

(2) Amend Section 50167 (a)(6), (a)(7), (a)(8), (b) and (c) to read:

(6) Identity of all persons other than those listed in (D). Identity shall be verified by viewing one of the following:

(A) California driver's license.

(B) Identification card issued by the Department of Motor Vehicles.

(C) Any other document which appears to be valid and establishes identity.

~~(b)~~ (D) The verification requirements of ~~(a)~~ ~~(6)~~ shall not apply to persons who are:

~~(1)~~ 1. In an institution and contact is made with the facility to verify presence in the institution.

~~(2)~~ 2. Receiving Medi-Cal through the Aid for Adoption of Children program.

~~(3)~~ 3. Children in a family, if identity of one parent has been verified.

~~(4)~~ 4. Children requesting Medi-Cal for minor consent services in accordance with Section 50147.1.

~~(5)~~ 5. MI children who are not living with a parent or relative and for whom a public agency is assuming financial responsibility in whole or in part.

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CONTINUATION SHEET
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(Pursuant to Government Code Section 11350.1)

R-36-82

~~(6)~~ 6. Not acting on their own behalf and a government representative, such as a public guardian, is acting for them.

~~(7)~~ 7. The spouse of a person whose identity has been verified.

(7) The following income and resources:

(A) Unearned income, which shall be verified by viewing any of the following:

1. Checks, or copies of checks. County departments shall not require copies of checks issued by the United States Government.

2. Award letters.

3. Signed statements from persons or organizations providing the income.

4. Check stubs.

5. Statements from checking, savings or trust fund accounts which indicate that the income is directly deposited for the applicant or beneficiary by the persons or organizations providing the income.

6. The statement of the person completing the Statement of Facts, for income received from the United States Government. This statement shall constitute verification pending receipt by the county department of verification from appropriate government agency, when the verification in 1 through 5 cannot be provided.

(B) Income in kind, which shall be verified by a written statement from the provider of the items of need.

(C) Earned income, which shall be verified by viewing paycheck stubs. If paycheck stubs are not available, a signed statement from the employer verifying the amount and frequency of the payments shall be obtained. If an individual is self-employed, records kept by such individual for tax purposes shall be viewed.

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R-36-82

(D) Fluctuating income, which shall be verified by viewing check stubs or a copy of the checks that show the amount of income. If these are not available, a signed statement from the person or organization making the payments verifying the amount and frequency of the payments shall be obtained.

(E) Child care costs, which shall be verified by viewing receipts and/or canceled checks.

(F) Cost of care for an incapacitated person while someone else is employed, which shall be verified by viewing receipts and/or canceled checks.

(G) Deductable expenses for maintenance or improvement of income-producing property, as defined in 50508, which shall be verified by viewing actual receipts for such services or a signed statement from the person providing the service or goods verifying the nature and cost of the service or goods.

(H) The market value of real property, other than the home, which shall be verified by viewing any of the following:

1. A current incorporated tax statement from the County Tax Assessor's Office.

2. Records maintained by the County Tax Assessor.

3. A written statement from a member of a recognized professional appraisal society which gives the appraisal value of the property, when the applicant chooses to meet the conditions of Section 50412(a)(5).

(I) Checking or savings account balances, which shall be verified by viewing either of the following:

1. A current account statement from the institutions holding the funds.

2. Signed correspondence from the institution holding the funds.

(J) The value of stocks, bonds and mutual funds, which shall be

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1. Viewing the certificate or a signed statement from the issuing institution stating a description of the investment, including the number of shares owned.

2. Takine one of the following actions:

a. Telephone contact with a recognized stock exchange broker to establish at the current selling price of the property.

b. Establishment of the current selling price of the property through listings in a current newspaper.

(K) U.S. Savings Bonds values, which shall be verified by viewing the bond and by contacting any bank or institution where such bonds may be liquidated.

(L) The value of deeds of trusts, mortgages and other promissory notes, which shall be verified by both:

1. Viewing documents which state a description of the item.

2. Taking one of the following actions:

a. Viewing documents from the lender which establish the principal amount remaining on the note.

b. Viewing an appraisal obtained from a party qualified to appraise mortgages and notes as described in 50441(c)(2).

c. Making a telephone contact with a recognized broker who buys, sells or appraises such items.

(M) The value of nonexempt motor vehicles, boats, campers or trailers, which shall be verified by viewing the appropriate document as follows:

1. Vehicle registration.

2. Appraisal statements when obtained pursuant to Sections 50461 and 50463.

DO NOT WRITE IN THIS SPACE

CONTINUATION SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

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(N) The cash surrender value of nonexempt life insurance policies, which shall be verified by viewing either of the following:

1. The value tables included in the policy.
2. Signed correspondence from the carrier indicating the current value.

(O) The value of nonexempt jewelry, which shall be verified by reviewing the appraisal statements.

(P) The value of burial trusts or prepaid burial contracts, which shall be verified by viewing the actual trust or contract or by viewing signed correspondence from the trustor or contractor which details its value.

(Q) The value of nonexempt property held in trust, which shall be verified by viewing either of the following:

1. A document indicating the trust's current value, executed by the trustor or executor.
2. An appraisal of the property obtained by the applicant from an agent qualified to appraise such property.

(R) Encumbrances of record on any item of property subject to verification, which shall be verified by either of the following:

1. A payment book issued by the institution holding the encumbrance which indicates the current amount of the encumbrance.
2. Written correspondence stating the amount of the encumbrance obtained by the applicant from the institution holding the encumbrance.

(S) The value of oil leases or mineral rights shall be verified by one of the following:

1. Written or telephone contact with a member of a recognized professional appraisal society which establishes the current market value of the lease or right.
2. Viewing records maintained by the county tax assessor where the lease or right is located.

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CONTINUATION SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11360.1)

R-36-82

3. Written or telephone contact with the company/organization

developing the natural resource which establishes the current market value.

(T) Health care benefits available through employment, retirement or military service shall be verified by viewing those insurance policies which specifically name the applicant, health benefit identification cards, or letters from health care benefit providers. Health care benefits available through work related injuries or settlements from prior injuries shall be verified by viewing letters from the Workmen's Compensation Board, employers, or insurance companies.

(U) Application for unconditionally available income as determined in accordance with Section 50186 shall be verified by viewing:

1. CA 5 referral for veterans benefits.
2. Application printouts for disability insurance benefits.
3. Application printouts for unemployment insurance benefits.
4. Application receipts for OASDI benefits.
5. Application receipts for any other unconditionally available income source.

(S) Pregnancy of an ineligible family member shall be verified by obtaining a letter of verification from either a physician, or a person certified as a nurse practitioner, midwife, or physician's assistant when application is made for a medically indigent unborn child.

(V) Employee retirement contributions and other employee benefit contributions shall be verified by viewing a statement from the employer.

(b) The provisions of this section apply to all items listed in (a) at:

(A) Initial application and reapplication.

(B) The time a change is reported or at redetermination for items not previously verified.

(C) Redetermination for items which the county determines could have appreciated in value since the last verification.

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FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11360.1)

R-36-82

(c) The applicant or the county shall make a diligent search to obtain documentation necessary to verify items (a)(7)(A) through (a)(7)(T) above. Such a search shall include at a minimum, one contact with the appropriate person/organization from which this documentation could be obtained. When the county determines that such documentation cannot be obtained either by the applicant or by county within the promptness requirements listed in Section 50177, the county shall:

(1) List and retain in the case record all actions taken to obtain documentation required for verification.

(2) Obtain from the applicant , and retain in the case record, an affidavit dated and signed by the applicant under penalty of perjury which lists a description and value of any item for which documentation for verification purposes was determined not available.

(3) Obtain a signed and dated affidavit from the applicant under penalty of perjury which lists the amounts of any earned or unearned income received and retain this document in the case record.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (Chapter 328, Statutes of 1982).

Reference: Section 14011, Welfare and Institutions Code.

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CONFIRMATION SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

(3) Amend Section 50168 to read:

50168. Verification - Within 60 days.

(a) With regard to information on the Statement of Facts, the county department shall obtain verification of the following items in the manner specified below, within 60 days of the date of initial application, but not necessarily prior to approval of eligibility:

~~(1) Unearned income shall be verified by viewing any of the following:~~

~~(A) Checks, or copies of checks. County departments shall not require copies of checks issued by the United States government.~~

~~(B) Award letters.~~

~~(C) Signed statements from persons or organizations providing the income.~~

~~(D) Check stubs.~~

~~(E) Statements from checking, savings or trust fund accounts which indicate that the income is directly deposited for the applicant or beneficiary by the persons or organizations providing the income.~~

~~(F) The statement of the person completing the Statement of Facts. This statement shall constitute verification pending receipt by the county department of verification from the appropriate government agency if the verification in (A) through (E) cannot be provided for income received from the United States government.~~

~~(G) The fact that income in kind is being received shall be verified by a written statement from the provider of the items of need.~~

~~(2) Earned income shall be verified by viewing paycheck stubs. If paycheck stubs are not available, a signed statement from the employer verifying the amount and frequency of the payments shall be obtained. If an individual is self-employed, records kept by such individual for tax purposes shall be viewed.~~

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FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11380.1)

~~(4) Fluctuating income shall be verified by viewing check stubs or a copy of the checks that show the amount of income. If these are not available, a signed statement from the person or organization making the payments verifying the amount and frequency of the payments shall be obtained.~~

~~(5) Mandatory deductions shall be verified by viewing paycheck stubs. If paycheck stubs are not available, a signed statement from the employer verifying the amount subtracted from each paycheck for these deductions shall be obtained. If an individual is self-employed, records kept by such individual for tax purposes shall be viewed.~~

~~(6)~~(1) Social Security Numbers (SSN) shall be verified by viewing Social Security cards, Social Security Administration form series OA-702. Any one of the following shall be acceptable evidence if the Social Security card is not available:

(A) An award letter, Medicare card or a check from the Social Security Administration showing the applicant's name and SSN with the letters A, HA, J, T or M following the SSN.

(B) Other documentation from the Social Security Administration upon approval by the Department.

(C) The SSA Referral Notice, form MC 194, shall be used to refer the individual to the Social Security Administration to obtain acceptable evidence of an SSN if the evidence in (A) and (B) is not available. Verification of the number assigned will be provided to the county department by the Department or the Social Security Administration if the individual must apply for an SSN or evidence of an SSN.

~~(7)~~(2) Applications for an SSN or evidence of an SSN shall be confirmed by viewing Social Security Administration district office notification that application for an SSN or evidence of an SSN has been made.

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FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11380.1)

~~(8)(3)~~ Medicare eligibility shall be verified by viewing a Health Insurance Card, Form SSA-1966, an award letter showing the individual's Health Insurance Claim number (HIC), an Explanation of Medicare Benefits (EOMB) issued by the Medicare fiscal intermediary, or a bill for Premium Part A or Part B, Form SSA-1545 or 1545A.

~~(9)---Work-related-expenses-shall-be-verified-by-viewing-receipts cancelled-checks-or-a-signed-statement-from-the-person-providing-the service-or-goods-verifying-the-nature-and-cost-of-the-service-or-goods.~~

~~(b)---If-verification-of-unearned-income, earned-income, income-in-kind, fluctuating-income, mandatory-deductions-or-work-related-expenses-is-not available-or-would-require-contacting-the-parents-of-a-child-requesting Medi-Cal-for-minor-consent-services-in-accordance-with-90147.1-(a), the sworn-statement-of-the-person-who-signed-the-Statement-of-Facts-shall-be accepted-as-the-necessary-verification-of-the-facts.~~

~~(c)---If-a-person-or-family-receives-a-Medi-Cal-card-prior-to-verification-of-unearned-income, earned-income, income-in-kind, fluctuating-income, mandatory-deductions-or-work-related-expenses, and-that-verification-is-not completed-within-the-time-limit-for-reasons-within-the-beneficiary's-control,~~

~~(1)---Eligibility-no-longer-exists-and-the-person-or-family-shall-be discontinued.~~

~~(2)---A-reapplication-or-restoration-shall-not-be-approved-until verification-is-completed.---Only-the-information-provided-on-the-Statement of-Facts-submitted-at-the-time-of-reapplication-or-restoration-shall-be verified.~~

~~(c)(b)~~ If a person or family received a Medi-Cal card prior to verification of an HIC number, SSN, application for an SSN or evidence of an SSN, and that verification is not completed within the time limit for reasons

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FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

(1) Eligibility no longer exists and the person shall be discontinued.
In family situations only the person or persons whose number is not verified shall be discontinued.

(2) Eligibility shall not be reapproved until the required evidence is submitted.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57 (Chapter 328, Statutes of 1982).

Reference: Section 14011, Welfare and Institutions Code.

(4) Amend Section 50169(c) to read:

(c) The following items shall be verified ~~whenever there is a change~~ and at each redetermination, restoration or reapplication.

- (1) Incapacity.
- (2) Legal responsibility for a child applying alone.
- (3) Refusal of the parent to apply for an 18 to 21 year old child.
- (4) Income, except income received from the United States government which has previously been verified in accordance with the provisions of Section 501667 ~~(a)~~ (b) (7) (A) 1. through 5. or for which verification has been obtained from the appropriate government agency.

~~(5) --Mandatory deductions--~~

~~(6) --Work-related expenses--~~

(5) Status and value of nonexempt property.

NOTE: Authority: Section 10725, 14124.5, Welfare and Institutions Code; Section 57 (Chapter 328, Statutes of 1982).

Reference: Section 14011, Welfare and Institutions Code

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FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11380.1)

(5) Amend Section 50467(d) to read:

(d) The net market value of jewelry shall be ~~the net market value listed by the applicant or beneficiary on the Statement of Facts, unless the county department determines further verification is required,--if verification is required:~~ determined as follows:

(1) The applicant or beneficiary shall submit three appraisals by jewelers, insurance adjustors or personal property appraisers. The average of these appraisals shall be the market value.

(2) Subtract any encumbrances of record from the market value.

This is the net market value.

NOTE: Authority: Sections 10725, 14124.5, Welfare and Institutions Code;
Section 57 (Chapter 328, Statutes of 1982).

Reference: Section 14011, Welfare and Institutions Code.

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STATEMENT OF EMERGENCY

These regulations implement, interpret and make specific Section 14011 of the Welfare and Institutions Code, as amended by AB 799, Chapter 328, Statutes of 1982 (effective June 30, 1982).

Section 57(c) of Chapter 328, Statutes of 1982 provides as follows:

(c) The State Director of Health Services shall adopt regulations implementing the provisions of this act as emergency regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the Department of Health Services in order to implement the provisions shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

- A. Fiscal Effect on Local Government: None
- B. Fiscal Effect on State Government: \$1,489,850 General Fund Savings Annually
- C. Fiscal Effect on Federal Funding of State Programs: \$1,489,850 Savings Annually
- D. Fiscal Effect on Small Business: None

DO NOT WRITE IN THIS SPACE

Copy below is hereby certified to be a true and correct copy of regulations adopted, or amended, or an order of repeal by:

DEPARTMENT OF HEALTH SERVICES

(Agency)

805-320

(Billing Code)

Date of adoption, amendment, or repeal:

By: _____

Beverlee A. Myers, Director
(Title)

DO NOT WRITE IN THIS SPACE

DO NOT WRITE IN THIS SPACE

The attached regulations which are being adopted, amended or repealed are contained in Title 22 of the California Administrative Code.
Division, Part, Chapter, etc., affected by this order: Div. 3, Subdiv. 1, Ch. 2, Sections

TYPE OF ORDER (Check as applicable)

50416 and 50441

- | | |
|--|--|
| <input type="checkbox"/> Emergency (Attach Finding of Emergency) | <input type="checkbox"/> Regular |
| <input type="checkbox"/> Certificate of Compliance | <input type="checkbox"/> Procedural and Organizational |
| <input type="checkbox"/> Certificate of Non-Compliance | <input checked="" type="checkbox"/> Editorial |

CHECKLIST OF MANDATORY REQUIREMENTS

- | | |
|--|--|
| <input checked="" type="checkbox"/> One Certified Copy With Original Signature and Six Copies of Order or Certificate of Compliance Attached | Effective Date: |
| <input type="checkbox"/> Regulation Summary (Form 690) Attached (1 copy) | <input type="checkbox"/> On _____ as Specified by Statute _____, or |
| <input type="checkbox"/> Publication Date (in Notice Register) of Notice for Attached Order or Certificate of Compliance is _____ | <input type="checkbox"/> On _____, if Later Than 30 Days After Filing With the Secretary of State (Emergency regulations will be effective upon filing with the Secretary of State; all other regulations will be effective 30 days after filing with the Secretary of State.) |
| <input type="checkbox"/> Authority and Reference Citation Placed Beneath Each Section in Attached Order | |
| <input type="checkbox"/> Cost Statement Attached (Refer to SAM Section 6050) | <input type="checkbox"/> Rule-Making File |

BUILDING STANDARDS (Check one)

- ☐ These regulations contain no building standards under Health and Safety Code Sections 18900-18915.
- ☐ These regulations do contain building standards under Health and Safety Code Sections 18900-18915. The attached copy contains Building Standards approval.

CONFLICT OF INTEREST (Check one if attached are Conflict of Interest Regulations)

The attached Conflict of Interest Regulations contain the FPFC approval stamp and:

- ☐ Are to be published in full in the Administrative Code.
- ☐ Are to be codified by appropriate reference in the Administrative Code, and include a statement as to where the full text may be obtained.

CAMPAIGN DISCLOSURES (Check if emergency Campaign Disclosure Regulations)

- ☐ These are emergency regulations pertaining to campaign disclosure law and were adopted by unanimous vote of all board or commission members present at the regulation adoption proceeding.

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11360.1)

1. Delete 11153.7, Welfare and Institutions Code from reference note under Section 50416.
2. Delete 11153.7, Welfare and Institutions Code from reference note under Section 50441.

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FACE SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW
AND WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11343.1)

Copy below is hereby certified to be a true and correct copy of regulations adopted, or amended, or an order of repeal by:

DEPARTMENT OF HEALTH SERVICES

(Agency)

805-320

(Billing Code)

Date of adoption, amendment, or repeal:

By:

Beverlee A. Myers, Director

(Title)

DO NOT WRITE IN THIS SPACE

DO NOT WRITE IN THIS SPACE

The attached regulations which are being adopted, amended or repealed are contained in Title 22 of the California Administrative Code.

Division, Part, Chapter, etc., affected by this order: Div. 3, Subdiv. 1, Ch. 2, Secs. 50412 & 50427

TYPE OF ORDER (Check as applicable)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Emergency (Attach Finding of Emergency) | <input type="checkbox"/> Regular |
| <input type="checkbox"/> Certificate of Compliance | <input type="checkbox"/> Procedural and Organizational |
| <input type="checkbox"/> Certificate of Non-Compliance | |

CHECKLIST OF MANDATORY REQUIREMENTS

- | | |
|--|--|
| <input checked="" type="checkbox"/> One Certified Copy With Original Signature and Six Copies of Order or Certificate of Compliance Attached | Effective Date: <u>September 1, 1982</u> |
| <input checked="" type="checkbox"/> Regulation Summary (Form 690) Attached (1 copy) | <input type="checkbox"/> On _____ as Specified by Statute _____, or |
| <input type="checkbox"/> Publication Date (in Notice Register) of Notice for Attached Order or Certificate of Compliance is _____ | <input type="checkbox"/> On _____, if Later Than 30 Days After Filing With the Secretary of State (Emergency regulations will be effective upon filing with the Secretary of State; all other regulations will be effective 30 days after filing with the Secretary of State.) |
| <input checked="" type="checkbox"/> Authority and Reference Citation Placed Beneath Each Section in Attached Order | |
| <input checked="" type="checkbox"/> Cost Statement Attached (Refer to SAM Section 6050) | <input checked="" type="checkbox"/> Rule-Making File |

BUILDING STANDARDS (Check one)

- | |
|---|
| <input checked="" type="checkbox"/> These regulations contain no building standards under Health and Safety Code Sections 18900-18915. |
| <input type="checkbox"/> These regulations do contain building standards under Health and Safety Code Sections 18900-18915. The attached copy contains building Standards approval. |

CONFLICT OF INTEREST (Check one if attached are Conflict of Interest Regulations)

The attached Conflict of Interest Regulations contain the FPPO approval stamp and:

- | |
|---|
| <input type="checkbox"/> Are to be published in full in the Administrative Code. |
| <input type="checkbox"/> Are to be codified by appropriate reference in the Administrative Code, and include a statement as to where the full text may be obtained. |

CAMPAIGN DISCLOSURES (Check if emergency Campaign Disclosure Regulations)

- | |
|---|
| <input type="checkbox"/> These are emergency regulations pertaining to campaign disclosure law and were adopted by unanimous vote of all board or commission members present at the regulation adoption proceeding. |
|---|

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11360.1)

(1) Amend Section 50412 (a)(1) to read:

~~(1) Four-times-the-assessed-value-of-the-property,-if-the-property~~
~~is-located-in-California-~~ The current market value of the property, as
determined by the county assessor if the property is located in California.

NOTE: Authority: Sections 10725 and 14124.5, Welfare and Institutions Code;
Section 57(c), Chapter 328; Statutes of 1982.

Reference: Sections ~~11153-7~~, 14006, Welfare and Institutions Code.

(2) Amend Section 50427 (b)(1) and (c) to read:

(1) The property has a net market value of \$25,000 6,000 or less.

(c) Other real property with a net market value of more than \$25,000
6,000 shall be considered as follows:

(1) The first \$25,000 6,000 of net market value shall be exempt if
the owner meets the utilization requirements set forth in Section 50416.

(2) The net market value in excess of \$25,000 6,000 shall be included
in the property reserve.

NOTE: Authority: Sections 10725 and 14124.5, Welfare and Institutions
Code; Section 57 (c), Chapter 328, Statutes of 1982.

Reference: Section ~~11153-7~~, 14006, Welfare and Institutions Code.

FINDING OF EMERGENCY

This agency certifies the attached orders are necessary for the immediate
preservation of the public peace, health and safety or general welfare. The
specific facts constituting the need for immediate action are:

DO NOT WRITE IN THIS SPACE

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

STATEMENT OF FACTS (EMERGENCY)

These regulations implement, interpret and make specific Section 14006 of the Welfare and Institutions Code, as amended by AB 799, Chapter 328, Statutes of 1982 (effective June 30, 1982).

Section 57(c) of Chapter 328, Statutes of 1982 provides as follows:

(c) The State Director of Health Services shall adopt regulations implementing the provisions of this act as emergency regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of Government Code. For the purpose of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) or Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the Department of Health Services in order to implement the provisions shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

COST STATEMENT

- A. Fiscal Effect on Local Government: None
- B. Fiscal Effect on State Government: Annual General Fund savings of approximately \$11,001,650 (82/83 savings \$24,708,200).
- C. Fiscal Effect on Federal Funding of State Programs: Annual savings of approximately \$11,001,650 (82/83 savings \$24,708,200).
- D. Fiscal Effect on Small Businesses: None

DO NOT WRITE IN THIS SPACE

Statement of Reasons

The purpose of these regulations is to implement Section 9 of AB 799, Chapter 328, Statutes of 1982, which amended Section 14006 of the Welfare and Institutions Code. Its effect was to reduce the equity limit in real property for Medi-Cal eligibility determination purposes. In addition Section 9 of AB 799, Chapter 328, Statutes of 1982, revises how the value of real property is determined...

Amendments are necessary to insure uniform eligibility determinations by county welfare departments throughout the State. Current Medi-Cal regulations specify that a person may retain other real property with a net market value of twenty five thousand dollars (\$25,000) if the owner meets utilization requirements. AB 799 amends Medi-Cal statutes to reduce the other real property limits, if the property is utilized, to six thousand dollars (\$6,000).

Federal Medicaid Regulations at 42 CFR Section 435.845(d) state: "For aged, blind, or disabled individuals in States covering all SSI recipients deduct the value of resources that would be deducted in determining eligibility under SSI" SSI regulations establish the value of other real property at six thousand dollars (\$6,000). Medicaid regulations have allowed States to establish a higher amount although \$6,000 is the lowest amount which can be established. In the past California has, where possible, exercised this option of establishing a higher property limit. However, with the current economic problems and the fiscal crisis the State is experiencing, the State has been forced to lower the property limits to the level established under the SSI program.

Additionally, current Medi-Cal regulations specify that current net market value of property for purposes determining eligibility is to be computed by multiplying the assessed value on the county tax statement by four. Since the passage of Proposition 13, county tax statements indicate the current market value of the real property. AB 799, Section 9, Chapter 328, Statutes of 1982 amends Section 14006 of the Welfare and Institutions Code to change the methodology for the determination of the market value of real property.

Sections 50412 and 50427 are amended to conform to Statute as set out above. In proposing these regulations the Department relies on AB 799, Chapter 328, Statutes of 1982 and current State statutes.

Informative Digest

Current Medi-Cal regulations at Title 22, California Administrative Code (CAC), Section 50427, implementing Welfare and Institutions Code, Section 14006, specify that, for purposes of determining the eligibility of an applicant; the limit of real property which the applicant may retain (other than the home) is twenty-five thousand dollars (\$25,000). Regulations of Title 22, CAC, Section 50412, implementing the same statute, provide that the value of such other real property (if located in California) shall be computed at four times the assessed value.

AB 799, Chapter 328, Statutes of 1982, amended Section 14006 of the Welfare and Institutions Code to reduce the other real property limit to six thousand dollars (\$6,000). It further amended the statute to provide that the value shall be computed the assessed value as of the most recent county property tax assessment.

The revisions to Title 22, CAC, Sections 50412 and 50427 herein are necessary to implement and clarify the statutory change and to bring the regulations into conformity therewith.